(d) whether Government's attention has been drawn to the news report "Pharmaceutical companies fleecing the patients", appearing in the Statesman dated 24th July, 2001 and if so, the reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE): (a) to (c) Changes in the price of medicines, like other commodities, is a normal feature. For a scheduled formulation, a manufacturer is required to follow the price fixed by the Government. If the Government notifies ceiling price in case of any scheduled formulation, it has to be followed by all manufacturers. Prices of non-scheduled formulations are fixed by the manufacturers themselves. The National Pharmaceutical Pricing Authority (NPPA) nevertheless monitors the movement of prices of non-scheduled formulations and intervenes whenever necessary in the public interest.

An analysis of the prices of 206 medicines representing different therapeutic groups published in ORG- MARG for the period December, 1999 - December, 2000, shows that while the prices of 18 formulations came down, those of 86 remained unchanged. The prices of 102 formulations showed an upward trend. Of these, 43 went up by less than 5% 31 between 5 and 10%, 20 between 10 and 20% and the remaining 8 formulations by between 20 to 50%. Major factors which normally contribute to increase in prices of medicines are cost of raw materials, (active ingredients, excipients and packing materials etc.,), processing and packaging costs, cost of sales promotion, R&D cost, etc;.

(d) Yes, Sir. As per the directions of Delhi High Court, the National Pharmaceutical Pricing Authority has filed two additional affidavits explaining its mechanism of monitoring and regulating the prices of scheduled and non-scheduled formulations under the Drugs (Price Control) Order, 1995 and action taken by it in respect of the price list of generic formulations as submitted by the petitioner.

Disbursement of R and D fund for pharma industry

3553. MISS MABEL REBELLO: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Finance Minister had announced a Rs. 150 crores Research and Development Fund, on per annum basis to Pharma Industries; and

(b) if so, what is the status of the fund disbursement and who are the members of the Committee?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE): (a) and (b) the Pharmaceutical Research and Development Committee (PRDC) constituted by the Government under the Chairmanship of Dr. R.A. Mashelkar, Director General, CSIR with a view to recommending measures to strengthen the Research and Development capability of the Pharmaceutical Industry in the country and to identify the support required by Indian Pharmaceutical Companies to undertake domestic R&D, in its report submitted to the Government, has *inter alia* recommended the establishment of Pharmaceutical Research and Development Support Fund (PRDSF) to promote research in the Pharmaceutical Industry in the country. The issue is under inter-ministerial consultation.

Conditions on wage revision in FACT

3554. SHRI N.K. PREMACHANDRAN: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether any direction imposing certain conditions on implementation of the wage / pay of the workmen and executives of FACT has been issued;

(b) if so, the reasons therefor and the details of the conditions;

(c) whether any representation has been received from trade unions, seeking review and withdrawal of the said conditions; and

(d) if so, Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE): (a) and (b) Yes, Sir. The details of the package are given in the Statement (*See* below). As per the extant policy, the wage revision in a Public Sector Enterprise (PSE) has to be invariably funded from internal resources and no budgetary support is to be provided. Considering the present financial position of FACT, the conditions prescribed in the package have been designed to enable the PSE to generate savings for funding the wage revision.

(c) and (d) Yes, Sir. The package of wage revision is as per the prescribed guidelines of Government.